

Financial Statements of

**CITY OF GREATER SUDBURY**  
**Sinking Fund**

And Independent Auditor's Report thereon

Year ended December 31, 2024



**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of the City of Greater Sudbury

### ***Opinion***

We have audited the financial statements of City of Greater Sudbury – Sinking Fund (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of City of Greater Sudbury - Sinking Fund as at December 31, 2024, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 17, 2025

# THE CITY OF GREATER SUDBURY

## Sinking Fund

Statement of Financial Position  
(in thousands of dollars)

December 31, 2024, with comparative information for 2023

	2024	2023
<b>Assets</b>		
Cash	\$ 129	\$ -
Investments (note 5)	28,991	19,040
Accrued interest	1,461	613
	<b>\$ 30,581</b>	<b>\$ 19,653</b>

## Liabilities and Net Assets

Accounts payable and accrued liabilities	\$ 22	\$ 18
Actuarial requirements (note 1)	23,544	16,024
	<b>23,566</b>	<b>16,042</b>
Accumulated surplus	7,015	3,611
	<b>\$ 30,581</b>	<b>\$ 19,653</b>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE CITY OF GREATER SUDBURY

## Sinking Fund

Statement of Operations and Accumulated Surplus  
(in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
City of Greater Sudbury:		
Contributions	\$ 9,849	\$ 6,848
Investment income	1,079	612
	10,928	7,460
Expenses:		
Changes in actuarial requirements (note 1)	7,518	7,285
Audit fees	6	6
	7,524	7,291
Annual surplus	3,404	169
Accumulated surplus, beginning of the year	3,611	3,442
Accumulated surplus, end of year	\$ 7,015	\$ 3,611

See accompanying notes to financial statements.

# THE CITY OF GREATER SUDBURY

## Sinking Fund

Statement of Cash Flows  
(in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 3,404	\$ 169
Items not involving cash:		
Amortization of net premium on investments	27	27
	3,431	196
Change in non-cash working capital items:		
Accrued interest	(848)	(382)
Accounts payable and accrued liabilities	4	7
Actuarial requirements	7,520	7,285
Net change in cash from operating activities	10,107	7,106
Investing activities:		
Acquisition of investments	(9,978)	(7,235)
Increase (decrease) in cash during the year	129	(129)
Cash, beginning of year	-	129
Cash, end of year	\$ 129	\$ -

See accompanying notes to financial statements.

# CITY OF GREATER SUDBURY

## Sinking Fund

### Notes to Financial Statements

Year ended December 31, 2024  
(in thousands of dollars)

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The City of Greater Sudbury - Sinking Fund (the "Fund") is a separate fund maintained for the purpose of providing periodic repayments for debt to be retired by means of sinking fund. The amount issued was \$303,000,000 with a maturity date of March, 2050.

#### 1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized below:

(a) Basis of accounting:

The Fund follows the accrual basis of accounting for revenues and expenditures.

(b) Revenue recognition:

Contributions are recognized in the year receivable. Interest income is recognized as revenue when earned.

(c) Investments:

Investments are recorded at amortized cost. The discounts or premiums on investments are amortized on a straight-line basis over the term of the investment.

Investment purchases are accounted for on the settlement date. There are no transaction costs incurred in the purchase of investments.

(d) Provision of actuarial requirements:

The actuarial requirements of the Fund represent the amount required which, together with interest compounded annually, will be sufficient to retire the related debenture at maturity.

#### 2. Change in accounting policies:

On January 1, 2024, the Fund adopted Canadian public accounting standard PS 3400 *Revenue*. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and measurement. The Fund has determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

#### 3. Contributions:

In 2024, contributions to the Fund were \$9,849 (2023 - \$6,848).

#### 4. Financial instruments:

The Fund is subject to market risk and interest rate risk with respect to the investment portfolio.



# CITY OF GREATER SUDBURY

## Sinking Fund

Notes to Financial Statements

Year ended December 31, 2024

(in thousands of dollars)

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### 5. Investment portfolio:

Investments consist of Provincial government bonds bearing yield rates from 2.27% to 5.29%, maturing from December 2036 to June 2048. At the end of 2024, investments including accrued interest totaled \$30,452 (2023 – \$19,653), which are recorded at amortized cost. The investments have a market value of \$27,315 (2023 - \$17,244) at the end of the year. The market value represents the realizable value of the investments if they were sold at the end of the Fund's fiscal year.

The Fund's investments are governed by the Municipal Act and the City of Greater Sudbury's investment Policy. The investment practice of the Sinking Fund administration is to generally hold investments until maturity.